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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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May 18, 2010

SACHI A. HAMAI
EXECUTIVE OFFICER

May 18, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

TECHNICAL AMENDMENTS TO MANAGEMENT PHYSICIAN PAY PLAN (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

To amend the County Code to codify changes in the compensation of non-represented management physicians and dental directors who are jointly employed by the County and the University of Southern California (USC). These changes are currently set forth in the Board approved medical school affiliation agreement between the County and USC. The recommended changes to the County Code will bring the Code into alignment with the affiliation agreement. These are technical changes that will result in no change in County cost over and above the costs otherwise required by the affiliation agreement.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the accompanying ordinance amending Title 6, Salaries, to codify changes in the compensation of non-represented management physicians and dental directors jointly employed by the County and USC. The recommended changes are necessary to conform the County Code to the current medical school affiliation agreement between the County and USC.

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

On May 20, 2008, your Board approved new pay plans for represented and non-represented County physicians. The new pay plans represent a number of significant changes from the old physician pay plan. These include, among other things, wider pay ranges and the capability to recognize and appropriately compensate some 40 different medical specialties. The plan affecting represented physicians is set out in the Memorandum of Understanding between the County and the Union of American Physicians and Dentists. The plan affecting non-represented physicians is set out in Chapter 6.08 of the County Code. There are now two pay plans where there used to be one, but both plans operate in essentially the same manner.

Physicians have been transitioned from the old pay plan to the new pay plans in two phases. The first phase moved all physicians who were not receiving medical school stipends to the new plans effective January 1, 2008. These are the physicians who did not have academic responsibilities at either the University of California at Los Angeles (UCLA) or USC, and who were not receiving a medical school stipend as compensation for teaching responsibilities. The second phase affected those physicians who had academic responsibilities and who were receiving a medical school stipend. For this latter group, your Board's action on May 20, 2008 provided for transition to the new pay plans upon Board approval of new medical school affiliation agreements which would address, among other things, the treatment of medical school stipends.

The new medical school affiliation agreements were approved by your Board on November 25, 2008. All of the affected UCLA physicians were converted to the new pay plans during February 2009 retroactive to July 1, 2008. The UCLA agreement provided for the elimination of medical school stipends with the understanding each affected physician would be placed in the appropriate pay range in the new plans so as to avoid any loss in income considering the total compensation previously earned from both the County and UCLA. In the case of the USC agreement, however, the terms were slightly different.

USC Agreement

The USC medical school affiliation agreement differs from the UCLA agreement as to the handling of dually employed physicians. Under the USC agreement, existing tenured professors were grandfathered under the old physician pay plan. They will continue to be dually employed and receive a medical school stipend for their academic responsibilities. Future tenured professors, however, will be employed exclusively by USC employees.

Existing non-tenured professors were given the following options:

- To be grandfathered just like the tenured professors. As with the tenured professors, newly hired physicians will not be given this option.
- To be employed exclusively by USC or the County, but not both. Physicians choosing the County were transferred to the new management physician pay plan in the same way UCLA physicians were transferred, and were required to resign from USC. Physicians choosing USC were required to resign from the County.

All of the affected USC physicians were converted to the new pay plans during July 2009 retroactive to July 1, 2008.

In addition, the USC medical school affiliation agreement provides for the incumbents of two positions to continue their dual employment and be compensated under either the old physician pay plan or the new management physician pay plan. These are the two individuals who currently occupy the USC positions of Academic Administrator and Associate Academic Administrator/Designated Institutional Officer, respectively. Under the accompanying ordinance, these physicians will be allowed to choose to be grandfathered under the old physician pay plan or transfer to the new management physician pay plan and receive a stipend for the work directly attributable to the academic responsibilities related to these particular posts. This was the intent of the parties in negotiating this agreement.

With the exception of the above two positions, the medical school affiliation agreements with both UCLA and USC have been fully implemented. All of the transfers to the new pay plans and related payroll adjustments have been completed. With the adoption of the accompanying ordinance, the processing of the compensation changes for the Academic Administrator and Associate Academic Administrator/Designated Institutional Officer will be completed with an effective date of July 1, 2008. In the case of the Academic Administrator position, this arrangement will remain in effect indefinitely and

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will apply to the current incumbent, as well as any future incumbents. In the case of the Associate Academic Administrator/Designated Institutional Officer, the arrangement will end when the current incumbent leaves the position and will not apply to any future incumbents.

Although the treatment of the USC physicians is provided for in the medical school affiliation agreement, it is not provided for in the language of the new management physician pay plan set out in Chapter 6.08 of the County Code. The accompanying ordinance will remedy this situation and bring the County Code into alignment with the agreement.

Implementation of Strategic Plan Goals

The actions recommended in this letter promote workforce excellence by resolving workplace issues while maintaining financial responsibility.

FISCAL IMPACT/FINANCING

None. These changes merely codify changes in pay policy previously approved by your Board on May 20, 2008 and November 25, 2008. No additional funding is required.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The accompanying ordinance also clarifies that no non-represented physician may receive compensation from the County and a university for work performed during the same working hours. Outside employment up to 24 hours per week will be allowed, but the outside work must truly be outside a physician's normal working hours. These are the same limitations that apply to all other County employees.

The ordinance necessary to implement these recommendations has been approved as to form by County Counsel.

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IMPACT ON CURRENT SERVICES

None.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Fujioka', written over the printed name.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:EFS:WGL
JAM:mst

c: County Counsel
Executive Office, Board of Supervisors
Auditor-Controller
Department of Human Resources
Department of Health Services